Message Text

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ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 SWF-02 AID-05 CEA-02 CIAE-00

COME-00 EB-12 FRB-03 INR-11 NSAE-00 RSC-01 CIEP-03

SP-03 STR-08 TRSE-00 LAB-06 SIL-01 SAM-01 OMB-01 PA-04

USIA-15 PRS-01 SS-20 NSC-07 DRC-01 /147 W $\,$

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4502

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION OECD PARIS

USMISSION EC BRUSSELS

USMISSION GENEVA

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E.O. 11652: XGDS-1

TAGS: ETRD, EIND, EEC, UK

SUBJECT: UK VIEWS ON EC PUBLIC PROCUREMENT POLICY

REF: (A) STATE A-7074, (B) EC BRUSSELS 7662

- 1. WE HAVE DISCUSSED HMG ATTITUDE TO EC GOVERNMENT PROCUREMENT POLICY WITH MCKEAN, UNDER SECRETARY AT HM TREASURY. HE SHOULD BE PROTECTED FULLY AS THE SOURCE OF THIS INFORMATION.
- 2. MCKEAN SAID THAT THE 1969 COMMISSION DIRECTIVE IS BEING APPLIED IN THE UK "AS MUCH AS IT IS IN THE CONFIDENTIAL

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OTHER MEMBER STATES." IN PRACTICE, THE GENERAL

PRINCIPLES IN THIS DIRECTIVE DO NOT HAVE MUCH EFFECT UNTIL THE COMMUNITY ADOPTS ADDITIONAL IMPLEMENTING DIRECTIVES.

- 3. THE UK IS COMPLYING FULLY WITH THE 1971 COUNCIL DIRECTIVE ON PUBLIC WORKS CONTRACTS, ACCORDING TO MCKEAN. IT HAS RECEIVED "ORACTICALLY NO APPLICATIONS" FROM FIRMS IN OTHER MEMBER STATES, HOWEVER, FOR THE CONTRACTS WHICH IT ADVERTISES IN THE COMMUNITY'S OFFICIAL JOURNAL.
- 4. AS FOR THE DIRECTIVE ON THE SUPPLY OF PRODUCTS WHICH IS CURRENTLY UNDER CONSIDERATION, MCKEAN SAID THAT IT IS UNLIKELY THAT IT WILL BE APPROVED, AS INTENDED, BY THE END OF THIS YEAR. THERE ARE DIFFICULT SUBSTANTIVE PROBLEMS TO BE RESOLVED, INVOLVING THE THRESHOLD AND TREATMENT OF REGIONAL AIDS. IN ADDITION, THE OTHER MEMBER STATES ARE NOT PREPARED TO AGREE THAT TELECOMMUNICATIONS EQUIPMENT PURCHASED BY THE BRITISH POST OFFICE (A NATIONALIZED INDUSTRY) SHOULD BE EXEMPT, WHILE EQUIPMENT PURCHASED BY THE OTHER POST OFFICES (WHICH ARE GOVERNMENT DEPARTMENTS) IS INCLUDED.
- 5. APART FROM THESE PROBLEMS, MCKEAN SAID, A
 LABOUR GOVERNMENT IS NOT LIKELY TO AGREE TO THE
 DIRECTIVE UNTIL THE PROCESS OF EC RENEGOTIATION IS
 COMPLETED. SOME LABOUR MINISTERS (MCKEAN
 MENTIONED WEDGWOOD BENN IN PARTICULAR) BELIEVE THAT
 THE DIRECTIVE WOULD INTERFERE WITH BRITAIN'S
 FREEDOM TO PURSUE CERTAIN KINDS OF INDUSTRIAL
 POLICIES. MCKEAN DOES NOT BELIEVE THAT THE DIRECTIVE
 WOULD POSE THIS KIND OF PROBLEM, BUT THIS ISSUE IS
 NOT LIKELY TO BE RESOLVED WITHIN HMG UNTIL A FINAL
 DECISION IS MADE ON BRITAIN'S CONTINUED MEMBERSHIP
 IN THE COMMUNITY.
- 6. MCKEAN CONFIRMED THAT THE UK HAS ASKED THAT

COMPUTERS BE EXEMPTED FROM THE DIRECTIVE (SEE REF B). CONFIDENTIAL

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Message Attributes

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